

Message Text

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PAGE 01 TOKYO 14453 110404Z
ACTION EA-12

INFO OCT-01 CIAE-00 INR-10 NSAE-00 PA-01 ICA-11 SP-02
ACDA-12 TRSE-00 OMB-01 PM-05 NSC-05 SS-15 H-01
ABF-01 L-03 SIL-01 LAB-04 ISO-00 /085 W
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R 110338Z AUG 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 0284
INFO CINCPAC HONOLULU HI
COMUSJAPAN YOKOTA AB JA
JCS WASHDC

C O N F I D E N T I A L TOKYO 14453

CINCPAC ALSO FOR POLAD

E.O. 11652: GDS
TAGS: MARR, JA
SUBJECT: COST SHARING OBJECTIVES

REF: STATE 188645

1. WE FIND REFTEL A USEFUL SUMMARY OF WHERE WE STAND IN REGARD TO OUR COST-SHARING EFFORT. THE CONCLUSIONS AND TACTICS FOR THE MOST PART ACCORD WITH THE APPROACH WE HAVE BEEN TAKING IN CLOSE COORDINATION WITH USFJ. (AS ADDRESSEES ARE AWARE, NUMEROUS INSPIRED PRESS STORIES OVER THE PAST SEVERAL MONTHS REPRESENT AN EFFORT ON THE PART OF OUR FRIENDS IN THE GOJ TO SET THE STAGE FOR ADDITIONAL BUDGET RELIEF FOR USFJ IN THE COMING YEAR.) FOLLOWING COMMENTS REPRESENT ONE OR TWO AREAS IN WHICH WE WOULD NOT SEE EYE-TO-EYE.

2. PARA 4, REFTEL, SUGGESTS THAT THE HOUSE APPROPRIATIONS COMMITTEE PROVISION IN REGARD TO PREVAILING WAGE PRACTICES MAY MAKE LABOR-COST SHARING "EVEN MORE MEANINGFUL" AND
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 14453 110404Z

STATES THAT, IF THE PROVISION REMAINS IN THE BILL, PAYMENTS IN EXCESS OF PREVAILING PRACTICES WILL EITHER HAVE TO BE TERMINATED OR GOJ WILL HAVE TO PICK UP THE COSTS. TOKYO 13858 AND USFJ 020535Z AUG 78 ADDRESS THE COMPLICATIONS THIS PROVISION COULD CAUSE; IN BRIEF THERE ARE ALTERNATIVES TO THE OUTCOME REFTEL SUGGESTS. WE FEEL IT IS FAR MORE LIKELY THAT AN ATTEMPT TO ENFORCE THE PROVISION WOULD LEAD

TO PROLONGED LABOR STRIFE, WITH ADVERSE EFFECT ON OUR MILITARY OPERATIONS. MOREOVER, AS IS CLEAR FROM OUR REPORTING ON COST-SHARING OVER THE LAST SEVERAL MONTHS, THE JAPANESE WILL NOT RESPOND WELL TO OUTSIDE PRESSURE IN A MATTER WHERE THEY HAVE CHOSEN TO TAKE THE INITIATIVE, BUT ARE UNDER NO LEGAL OBLIGATION TO DO SO. WE SHOULD ALSO NOTE THAT WHILE IT IS TRUE THE POSSIBILITY OF FURTHER LABOR COST RELIEF HAS BEEN RAISED WITH US BY THE JDA AND MOFA, IT WAS MUTUALLY UNDERSTOOD LAST DECEMBER WHEN THE CURRENT COST-SHARING AGREEMENT WAS CONCLUDED THAT FURTHER REDUCTION OF LABOR COSTS WOULD NOT BE PURSUED AS A NEGOTIATING OBJECTIVE THIS YEAR. OTHER KEY JAPANESE AGENCIES WHOSE COOPERATION IS VITAL, I.E., THE FINANCE MINISTRY AND CABINET LEGISLATIVE BUREAU, HAVE LET IT BE KNOWN TO MOFA THAT THEY HAVE NOT FORGOTTEN THIS UNDERSTANDING. ACCORDINGLY, WHILE WE HAVE WELCOMED AND WILL CONTINUE TO ENCOURAGE FRESH APPROACHES ON LABOR COSTS NOW, IT IS ESSENTIAL THAT THEY TAKE THE FORM OF SELF-INITIATED GOJ MOVES.

3. WHILE WE AGREE THAT O&M COSTS REMAIN OUR HIGHEST PRIORITY OBJECTIVE (PARA 5 REFTEL), WE SHOULD REMAIN REALISTIC ABOUT THE LIMITED POSSIBILITY OF OBTAINING RELIEF IN SUCH AREAS AS UTILITIES, WHERE THE LEGAL BASIS FOR JAPANESE CONCURRENCE IS ESPECIALLY THIN. WE WILL, OF COURSE, PURSUE ALL O&M POSSIBILITIES, INCLUDING FIRE-FIGHTING AND SECURITY

CONFIDENTIAL

PAGE 03 TOKYO 14453 110404Z

SERVICES, EVEN THOUGH WE HAVE NOT MADE MUCH HEADWAY TO DATE. WE ARE ALSO REASONABLY CONFIDENT THAT WE CAN MOVE AHEAD ON THE LABOR-COST FRONT IN THE FUTURE TO ACHIEVE THE OBJECTIVES OF THE GAO REPORT.

4. WE DEFER TO USFJ IN IDENTIFYING COST-SAVING GOALS BASED ON IMPROVED OPERATIONAL READINESS AND INTEROPERABILITY (PARA 6 REFTEL). WHILE THIS IS A PARTICULARLY ATTRACTIVE AREA FOR MANY REASONS, NOT THE LEAST BEING THE CONTRIBUTION TO CEMENTING DEFENSE COOPERATION AT BOTH SERVICE AND POLITICAL LEVELS, WE RECOGNIZE THERE ARE RESTRICTIVE LIMITATIONS IN TERMS OF SPACE AVAILABILITY, COMMAND AND CONTROL, ETC.

MANSFIELD

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